

**ASSEMBLY BILL**

**No. 1045**

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**Introduced by Assembly Member Norby**

February 18, 2011

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An act to add Section 53593.5 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1045, as introduced, Norby. Local government: bonds.

Existing law prohibits an investment firm, as defined, from having specified interests in a new issuance of bonds from a local agency.

This bill would prohibit a local agency from entering into a financial advisory, legal advisory, underwriting, or similar relationship with an individual or firm, with respect to a bond issue that requires voter approval on or after January 1, 2012, if that individual or firm, or an employee, agent, or person related to an employee or agent of the individual or firm, provided or will provide bond campaign services, as defined, to the bond campaign.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 53593.5 is added to the Government
- 2 Code, to read:
- 3 53593.5. (a) A local agency shall not enter into a financial
- 4 advisory, legal advisory, underwriting, or other similar relationship
- 5 with an individual or firm, with respect to a new issue of bonds
- 6 that requires voter approval on or after January 1, 2012, if that

1 individual or firm, or an employee, agent, or person related to an  
2 employee or agent of the individual or firm, provided or will  
3 provide bond campaign services to the bond campaign.

4 (b) For purposes of this section, “related” includes, but is not  
5 limited to, a family relationship by blood or marriage, a financial  
6 relationship, an affiliation between business associations, or  
7 business associations with directors or principals in common.

8 (c) (1) For purposes of this section, “bond campaign services”  
9 includes fundraising, public opinion polling, election strategy and  
10 management, organization of campaign volunteers, get out the  
11 vote services, development of campaign literature, and advocacy  
12 materials.

13 (2) “Bond campaign services” does not include either of the  
14 following:

15 (A) Advice and support related to the preparation of tax rate  
16 statements and other documentation required for inclusion in the  
17 voter pamphlet published by the applicable county registrar of  
18 voters.

19 (B) Public opinion polling that is conducted before a bond  
20 measure is placed on the ballot for the purposes of gathering  
21 information regarding, and evaluating the potential for, the adoption  
22 of the bond measure by the electorate.